



INTERNET MARKETING TRENDS REPORT 2010

MIDDLE EAST

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Source of most statistics:





2010 – A Year of Economic Recovery

It is safe to say that 2009 was a year of economic crisis for markets all over the world. As the "R" word resonated on the minds of business owners everywhere, they began tightening their budgets to adapt to the economic challenges.

Participation in the recession is a choice, and companies must challenge themselves to evaluate their businesses and understand how they can change in order to surpass the economic conditions.

Though 2009 was a year of hardship, many believe that 2010 will be a year of economic recovery. Over the past year, Internet advertising spending in the Middle East increased, as spending through traditional advertising venues, such as newspaper, radio and television shrank. Trends indicate that the Internet will remain strong in 2010.

The #1 fastest growing advertising channel is the Internet, and businesses need to re-invent their marketing strategies and capitalise on this medium in order to rise above the economic challenges.

This Internet Marketing Trends Report is a brief synopsis of the current online marketing activities in the Middle East, as well as the projected trends for the coming years. Specifically, the report covers Internet usage and penetration, total advertising spending, Internet marketing spending and social media trends.

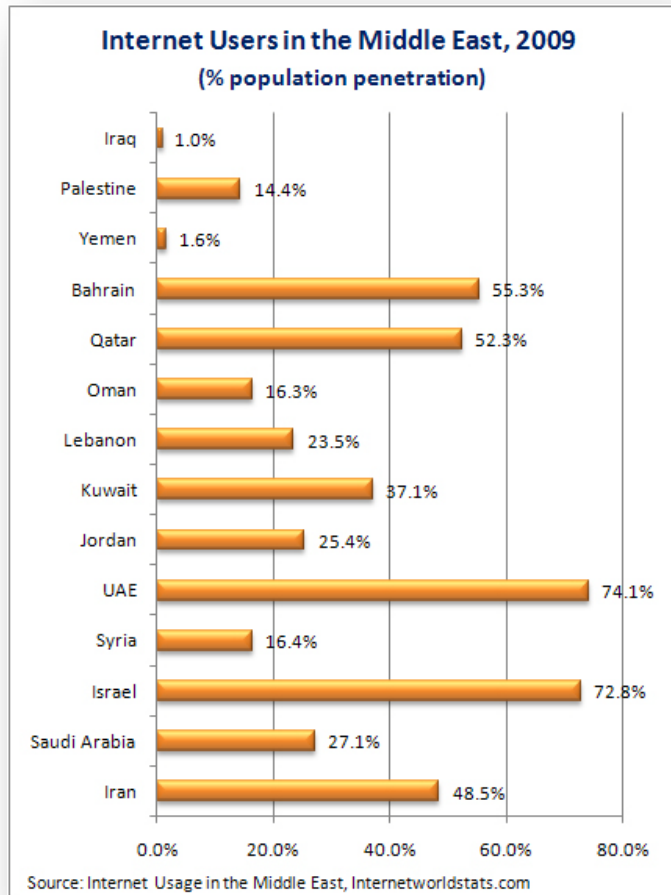
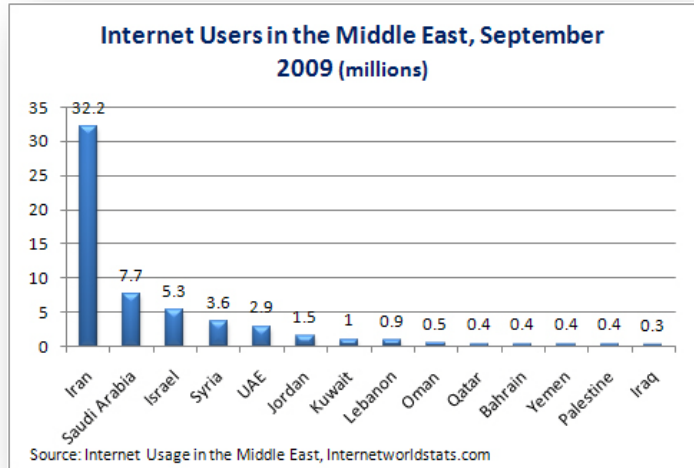
For more information about WSI's Internet marketing services, please contact your local WSI Consultant.

Internet Users in the Middle East

- According to recent statistics from Internetworldstats.com, Iran has 32.2 million Internet users, making it the largest market for online usage in the Middle East
- Saudi Arabia has 7.7 million Internet users, while Israel has an online population of 5.3 million
- Statistics indicate that there are 3.6 million Internet users in Syria and 2.9 million in UAE

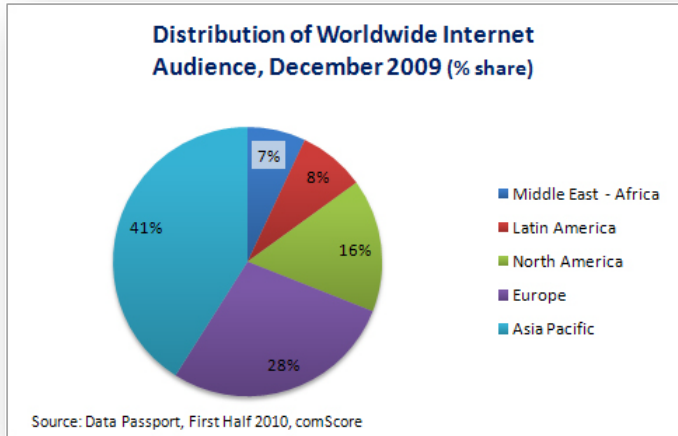
Internet Penetration in the Middle East

- Internet penetration in the Middle East is the highest in UAE and Israel at 74.1% and 72.8% respectively
- 55.3% of the population in Bahrain use the Internet, while Qatar has an Internet usage reach of 52.3%
- Internet usage has penetrated to 48.5% of the total population in Iran and 37.1% of the Kuwait population



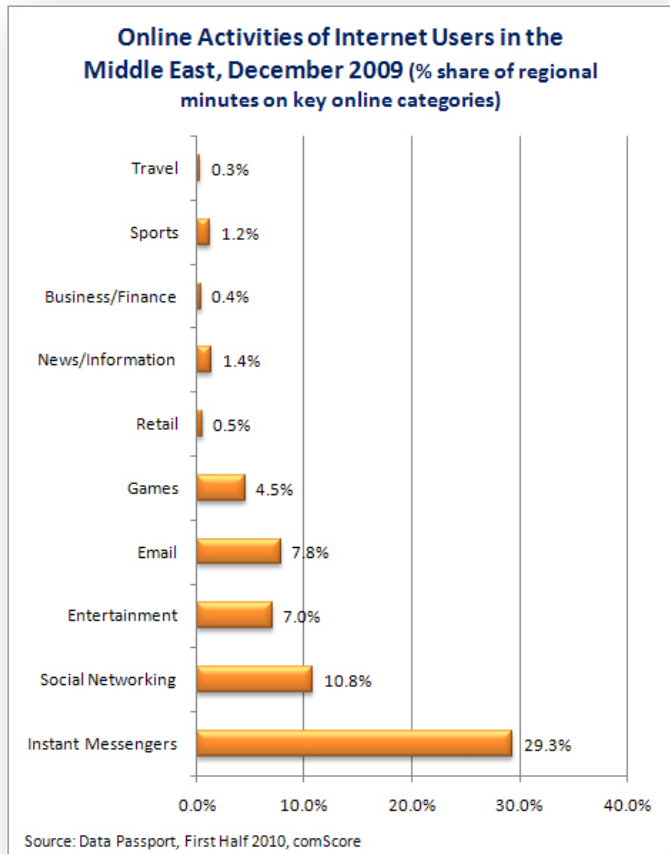
Distribution of Worldwide Internet Audience

- A study by comScore compares the total Internet audience worldwide divided into regions
- Middle East and Africa consumes 7% of the world's total online population, slightly behind Latin America, which takes an 8% share



Online Activities of Internet Users in the Middle East

- According to a study by comScore, instant messaging took up almost a third of all online time in the Middle East and Africa (29.3%)
- Visiting social networks was ranked as the 2nd most popular online activity, consuming a 10.8% share of the region's total time online
- comScore also reports that 7% of the region's total time online was spent visiting entertainment sites
- Email took a 7.8% share of all online time in the region, while online games consumed a 4.5% share



Total Advertising Spending

- According to eMarketer, in 2009 total advertising spending reached \$11 billion in the Middle East, a slight decline from the previous year due to the economic challenges
- However, total adspend in the Middle East will increase this year to \$11.4 billion
- By 2011, marketers in the Middle East will spend \$12.7 billion on total advertising

Online Advertising Spending

- When reviewing online adspend in the Middle East and Africa, we see that \$157 million was spent advertising on the Internet in 2008
- The recession didn't seem to impact online adspend in the region, as it increased to \$217 in 2009
- This year, we can expect to see online advertising spending in the Middle East to increase once again to \$275 million

Advertising Spending Worldwide, by Region, 2009-2011 (billions)

	2008	2009	2010	2011
North America	\$180.0	\$158.7	\$163.6	\$173.7
US	\$170.6	\$149.6	\$154.3	\$164.0
Europe	\$143.5	\$127.0	\$130.6	\$139.5
Western Europe*	\$84.0	\$72.8	\$74.9	\$80.0
Asia-Pacific	\$107.5	\$100.8	\$106.9	\$114.8
Latin America	\$25.9	\$25.4	\$26.7	\$28.7
Middle East	\$11.2	\$11.0	\$11.4	\$12.7
Worldwide	\$468.0	\$422.9	\$439.2	\$469.4

Note: includes Internet, magazines, newspapers, outdoor, radio and TV;
*includes France, Germany, Italy, Spain and the UK
Source: UBS, "Global I/O: Global Media," provided to eMarketer, July 29, 2009

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www.eMarketer.com

Online Advertising Spending Worldwide, by Region, 2008-2010 (millions)

	2008	2009	2010
North America	\$23,083	\$24,087	\$25,893
Western Europe	\$16,416	\$17,579	\$18,895
Asia-Pacific	\$12,263	\$14,330	\$17,177
Emerging Europe	\$1,130	\$1,263	\$1,540
Latin America	\$537	\$690	\$914
Middle East and Africa	\$157	\$217	\$275
Worldwide	\$53,586	\$58,166	\$64,694

Source: GroupM, "Interaction 2009," provided to eMarketer, September 9, 2009

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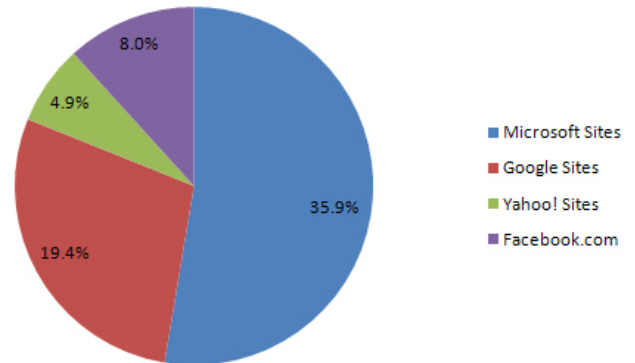
Top Web Properties in the Middle East

- As of September 2009, Microsoft sites captured the largest share of time spent online in the Middle East (35.9%), making it the most engaging global property
- Meanwhile, Google sites and Yahoo! sites took a 19.4% and 4.9% share of time spent online respectively
- Facebook, which continues to see consistent growth, consumed 8% of total time spent online in the Middle East

Worldwide Search Market Overview

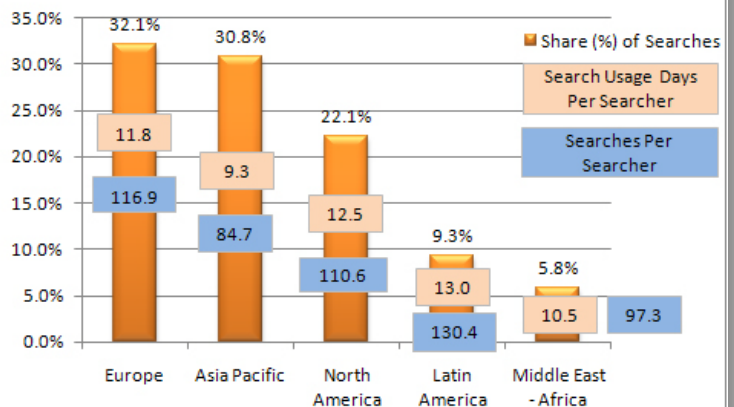
- In another study released by comScore reports that 5.8% of the world's online searches came from the Middle East and Africa in July 2009
- An online searcher in the Middle East and Africa spent an average of 10.5 days searching online during this month-long study and conducted about 97.3 searches
- The vast usage of search engines presents a great opportunity for search advertising in the region

Share of Time Spent at Top 4 Global Properties Based on Total Minutes in the Middle East, September 2009 (%)



Source: comScore World Metrix, as cited in a November 6, 2009 press release

Worldwide Search Market Overview by Region, July 2009



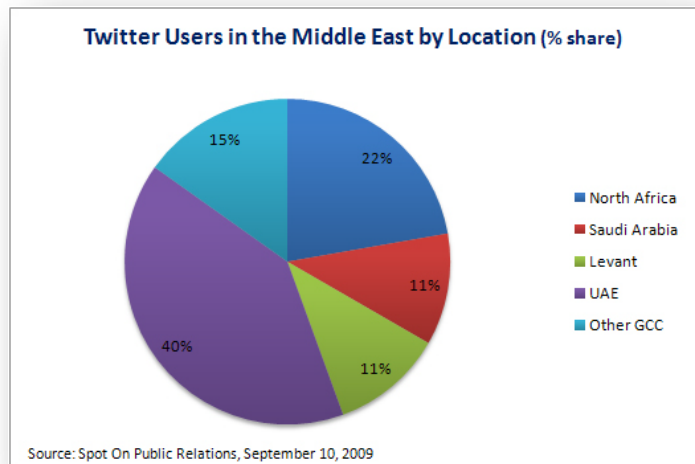
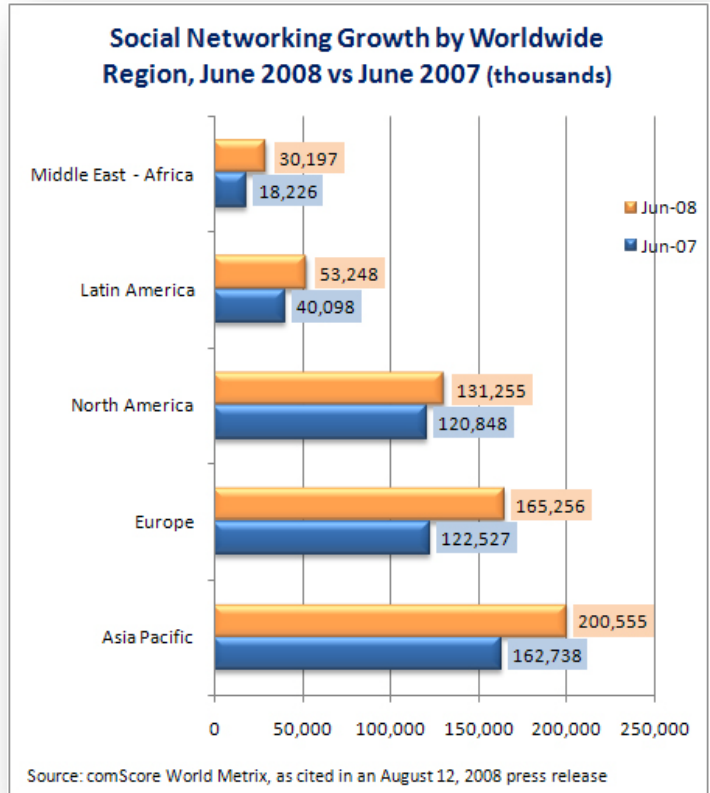
Source: comScore World Metrix, as cited in an August 31, 2009 press release

Social Networking Usage Grows in the Middle East

- Social networking usage in the Middle East and Africa increased significantly between June 2007 and June 2008
- In June 2008, there were 30.2 million social network users in the region, while the previous year only had 18.2 million social network users
- Overall, social networking usage in the Middle East saw the largest increase with 66% growth

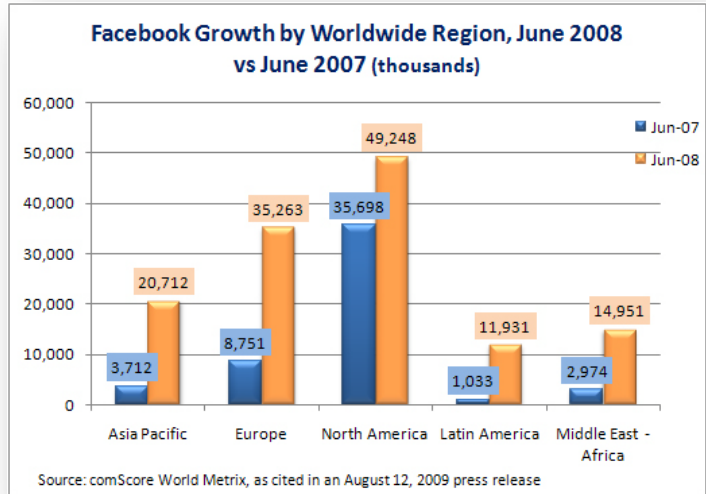
Twitter Users in the Middle East

- According to a September 2009 survey conducted by Spot On Public Relations, the UAE currently leads the Middle East in terms of Twitter usage
- The UAE accounts for 40% of the region's total share of Twitter users
- The same survey also reports that 22% of the region's Twitter users are from North Africa
- Meanwhile, Levant and Saudi Arabia each saw an 11% share of total Twitter usage in the region



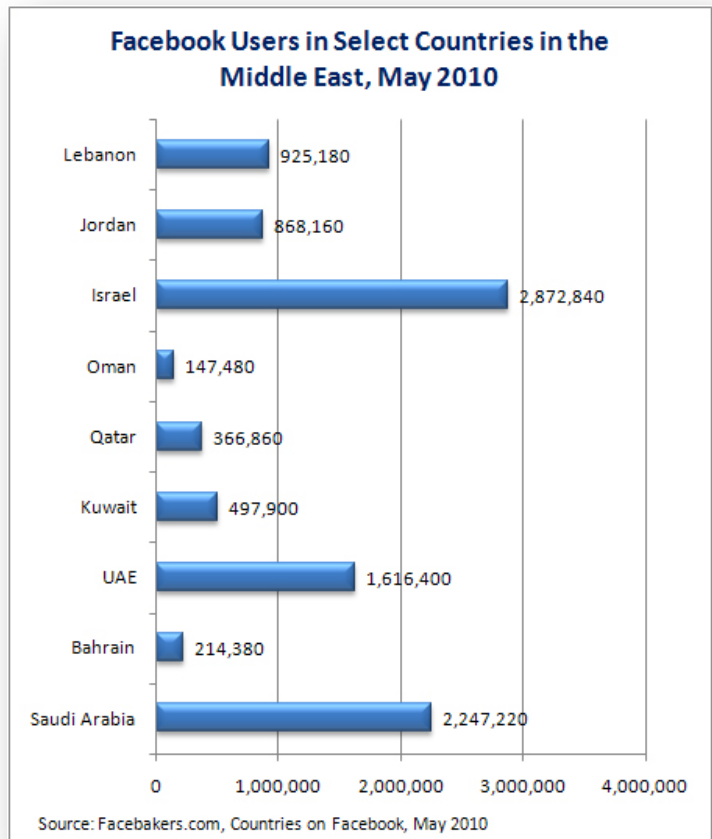
Facebook Usage in the Middle East Rises

- Statistics released by comScore report that Facebook growth in the Middle East and Africa was quite significant between June 2007 and June 2008
- In June 2008, there were 14.95 million Facebook users in the Middle East, a 403% increase over the 2.97 million users in the previous year



Facebook Users in Select Middle Eastern Countries

- Recent statistics show that Israel has one of the largest Facebook populations in the Middle East
- There are approximately 2.87 million Facebook users in Israel, and about 2.25 million Facebook users in Saudi Arabia
- Facebook users in the UAE reached approximately 1.62 million
- Other countries with high Facebook usage include Lebanon and Jordan with a Facebook population of 925,000 and 868,000 respectively





we simplify the Internet

ABOUT WSI

WSI leads the global Internet industry offering best of breed digital marketing solutions to suit the needs of multiple industries. The company has the world's largest Internet Consultants' network and a 100-person strong head office in Toronto, Canada. WSI Internet Marketing Consultants have helped thousands of small and medium-sized businesses realize their online marketing potential. By using innovative Internet technologies and advanced digital marketing strategies, businesses can have a WSI Internet Marketing System tailored to their individual needs to elevate their Internet presence and profitability to new levels. The company has held the Number 1 spot in Entrepreneur Magazine's Franchise 500 listing under the Technology category for 10 years in a row under the technology category. With the support and cooperation of its customers, franchise network, employees, suppliers and charitable organizations, WSI aims to help make child poverty history through its global outreach program (www.makechildpovertyhistory.org). For more information about WSI's offerings and business opportunities, please visit our website at www.wsicorporate.com.

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